

WATER SUPPLY CORPORATION TARIFF

FOR

SKYLAKES WATER SUPPLY CORPORATION
WALLER TEXAS 77484

PO BOX 978, 32152 CLUB DRIVE
979-221-7808

This tariff is effective for corporation operations under the following Certificate(s) or Convenience and Necessity:

CN11676

This tariff is effective in the following County: Waller

This tariff is effective in the following cities or un-incorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

Skylakes Subdivision Section I and II

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The above corporation lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

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SECTION 1.0 - RATE SCHEDULE

Section 1.02 – Rates

<u>Meter Size</u>	<u>Rate</u>	
5/8" or 3/4"	<u>\$ 37.41 (INCLUDING 3000 GALLONS)</u>	<u>\$ 6.00</u>
1"	<u>\$ 37.41</u>	per 1000 gallons after 3000
1-1/2"	_____	same for all meter sizes

REGULATORY ASSESSMENT0005%
 A REGULATORY ASSESSMENT, EQUAL TO ONE HALF OF ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY SHALL BE COLLETED FROM EACH RETAIL MEMBER.

Section 1.02 - Miscellaneous Fees

TAP FEE SHORT SIDE\$1000.00
 THE TAP FEE IS BASED ON THE AVERAGE OF THE CORPORATION'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" OR 3/4" METER.

TAP FEE LONG SIDE\$1500.00
 THE TAP FEE IS BASED ON THE AVERAGE OF THE CORPORATION'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" OR 3/4" METER. INVOICE PRICE WILL BE CHARGED IF TAP FEE IS MORE THAN \$1500.00

RECONNECTION FEE
 THE RECONNECTION FEE WILL CHARGED BEFORE SERVICE CAN BE RESTORED.
 TO A MEMBER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- A) Non-payment of bill.....\$ 75.00
 - B) Member's request\$ 75.00
- Or OTHER REASONS LIISTED UNDER SECTION 2.0 OF THIS TARIFF.

TRANSFER FEE\$ 40.00
 THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHERE THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE\$ 10.00
 A ONE TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING

RETURNED CHECK CHARGE\$ 35.00

MEMBERSHIP FEE.....\$ 100.00

METER TEST FEE (Invoice price if greater than \$50.00)\$ 50.00
 THIS FEE MAY BE CHARGED IF A MEMBER RQUESTS A SECOND METER TEST WITHIN A TWO YEAR PERIOD AND THE TEST INDICATED THAT THE METER IS RECORDING ACCURATELY.

SECTION 2.0 – SERVICE RULES AND REGULATIONS

This tariff was adopted by the board at a properly noticed meeting held on August 5, 2008 to be effective upon application approval by TCEQ.

Section 2.02 Application for and Provision of Water Service

All applications for standard service will be made on the corporation's standard application or contract for and will be signed by the applicant before water service is provided by the corporation. A separate application or contract will be made for each service location. Standard service is defined as service on an existing pipeline where pipeline service facility extensions, or pipeline upgrades are not required and special design and/or engineering considerations are not necessary. Nonstandard service is defined as any service request which requires a larger meter service, service to a Master Metered Account or an addition to the supply, storage and/or distribution system. Requirements for nonstandard service are contained in Section 3.0 and 3.20 of this tariff.

After the applicant has met all the requirements, conditions and regulations for service, the corporation will install tap, meter and corporation cut-off valve and/or take all necessary actions to initiate service. The corporation will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the corporation will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

The member will be responsible for furnishing and laying the necessary member service pipe from the meter location to the place of consumption. Members are required to install a member owned cut-off valve on the member's side of the meter or connection.

Section 2.04 – Membership Fee

Payment of the membership fee entitles the member to standard connection to the corporation's water system. Membership fees are assigned to the real estate designated to receive service. The membership fee is refundable upon termination of service as long as the member has no outstanding obligations to the corporation.

Section 2.03 – Refusal of Service

The corporation may decline to serve an applicant until the applicant has complied with the Corporation service requirements, with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the TCEQ Rules. In the event, the corporation refuses to serve an applicant, the corporation will inform the applicant in writing of the basis of its refusal. The corporation is also required to inform the applicant a complaint may be filed with the Commission.

Section 2.05 – Meter requirements, Readings and Testing

All water sold by the corporation will be billed based on meter measurements. The corporation will provide, install, own and maintain meters to measure amounts of water consumed by its members. Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period.

One meter is required for each residential, commercial or industrial facility in accordance with the TCEQ Rules. If a facility has a kitchen and bathroom, it will be considered a separate facility requiring a separate meter. The corporation may consider allowing an apartment building or mobile home/RV park to apply for a “Master Metered Account” and have a single meter larger than 5/8” x 3/4”. An unauthorized submetering or diversion of service shall be considered a multiple connection and subject to disconnection of service. If the corporation has sufficient reason to believe a multiple connection exists, the Corporation shall discontinue service as described under section 2.07 of this tariff.

METER TESTS: The corporation will, upon the request of a member, and, if the member so desires, in his or her presence or in that of his or her authorized representative make without charge a test of the accuracy of the member’s meter. If the member asks to observe the test, the test will be made during the corporation’s normal working hours at a time convenient to the member. Whenever possible, the test will be made on the member’s premises, but may, at the corporation’s discretion, be made at the corporation’s testing facility. If within a period of two years the member requests a new test, the corporation will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the corporation will charge the member a fee which reflects the cost to test the meter at invoiced cost or \$50.00 whichever is greater for a residential member. Following the completion of any requested test, the corporation will promptly advise the member of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.06 – Billing

Bills from the corporation will be mailed monthly. The due date of bills for corporation service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the corporation will constitute proof of the date of issuance. Payment for corporation service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the corporation or the corporation’s authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

A late penalty of \$10.00 will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The corporation must maintain a record of the date of mailing to charge the late penalty.

In the event of a dispute between a member and a corporation regarding any bill for corporation service, the corporation will conduct an investigation and report the results to the member. If the dispute is not resolved, the corporation will inform the member that a complaint may be filed with the Commission.

Section 2.07 - Service Disconnection

Corporation service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. **The termination date must be at least 10 days after the notice** is mailed or hand delivered.

The corporation is encouraged to offer a deferred payment plan to a member who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a member's corporation service may be disconnected if a bill has not been paid or a deferred payment agreement entered into with 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination will be a separate mailing or hand delivery.

Corporation service may also be disconnected without notice for reasons as described in the TCEQ Rules.

Corporation service may also be disconnected with notice for violation of the corporation's service policies, including the connection of more than one residence commercial facility or industrial facility to an individual meter.

Corporation personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the member's request or due to a hazardous condition.

Section 2.08 – Reconnection of Service

Service will be reconnected within 36 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09 – Service Interruptions

The corporation will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the corporation will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the corporation will keep a complete record of all interruptions, both emergency and scheduled.

Section 2.10 – Quality of Service

The corporation will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the corporation will maintain facilities as described in the TCEQ Rules or in the Texas Commission on Environmental Quality's "Rules and Regulation for Public Water Systems."

Section 2.11 – Member’s Responsibility

The Member shall provide access to the meter as per service agreement. If access to the meter is hindered or denied preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month; and a notice shall be sent to the effect that access could not be gained. If access is denied for three (3) consecutive months after proper notification, in accordance with Section 2.07, to the Member, then service shall be discontinued and the meter removed with no further notice.

The Member shall be responsible for compliance with all utility local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.

- 1) All connections shall be designed to ensure against back-flow or siphonage into the Corporation’s water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30 TAC 290.46)
- 2) The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation’s facilities. Customer service pipelines shall be installed by the applicant and shall be a minimum of SDR-26 PVC pipe. (30 TA 290.46)

Section 2.12 – Member Complaints and Disputes

If a member or applicant for service lodges a complaint, the corporation will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation unless a hazardous condition exists.

SECTION 3.0 - EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES

If there are no distribution facilities or facilities capable of servicing (according to TCEQ Chapter 290 requirements) the applicant at the requested connection point, the applicant will be given an itemized statement of the costs of the service request, including options such as rebates to the customer, sharing of construction costs between the Corporation and the customer, or sharing of costs between the customer and other applicants prior to beginning construction, if available.

The Corporation will bear the full cost of any oversizing of water mains necessary to serve other future customers in the immediate area.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Natural Resource Conservation Commission's "Rules and Regulations for Public Water Systems".

SECTION 3.20 – SPECIFIC CORPORATION EXTENSION POLICY

This section contains the Corporation's specific extension policy which complies with the requirements already stated under Section 3.01.

Developers will be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Natural Resource Conservation Commission minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Natural Resource Conservation Commission minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

**SECTION 4.0
DROUGHT CONTINGENCY
AND
EMERGENCY WATER DEMAND MANAGEMENT PLAN**

1. INTRODUCTION

The goal of this plan is to cause a reduction in water use in response to drought or emergency conditions so that the water availability can be preserved. Since emergency conditions can occur rapidly, response must also be enacted quickly. This plan has been prepared in advance considering conditions that will initiate and terminate the rationing program.

A Drought/Emergency Management Committee consisting of two Board members and the System Manager will monitor usage patterns and public education efforts and will make recommendations to the Board on future conservation efforts, demand management procedures or any changes to this plan. The Committee will develop public awareness notices, bill stuffers, and other methods that will begin and continue as a constant type of reminder that water should be conserved at all times, not just during a drought or emergency. This Committee will also review and evaluate any needed amendments or major changes due to changes in the WSC service are population, distribution system or supply. This review and evaluation will be done on a regular basis of five years unless conditions necessitate more frequent amendments.

The plan will be implemented according to the three stages of rationing as imposed by the Board. Section D describes the conditions that will trigger these stages.

2. PUBLIC INVOLVEMENT

Opportunity for the public to provide input into the preparation of the plan was provided by the Board by scheduling and providing public notice of a public meeting to accept input on the Plan. Notice of the meeting was provided to all customers. In the adoption of this plan, the Board considered all comments from customers.

3. Coordination with Regional Water Planning Group

Being located within the Blue Bonnet Conservation District (name of regional water planning area or areas), a copy of this Plan has been provided to that Regional Water Planning Group.

4. TRIGGER CONDITIONS

The Drought Emergency Management Committee is responsible for monitoring water supply and demand conditions on a monthly basis (or more frequently if conditions warrant) and shall determine when conditions warrant initiation or termination of each stage of the plan, that is, when the specified triggers are reached. The Committee will monitor monthly operating reports, water supply or storage tank levels and/or rainfall as needed to determine when trigger conditions are reached. The triggering conditions described below take into consideration: the vulnerability of the water source under drought of record conditions; the production, treatment and distribution capacities of the system, and member usage based upon historical patterns.

- a. **Stage I – Mild Condition:** Stage I water allocation measures may be implemented when one or more of the following conditions exist:
 - 1) Water consumption has reached 80 percent of daily maximum supply for three (3) consecutive days.
 - 2) Water supply is reduced to a level that is only 20 percent greater than the average consumption for the previous month.
 - 3) There is an extended period (at least eight (8) weeks) of low rainfall and daily use has risen 20 per cent above the use for the same period during the previous year.

- b. **Stage II – Moderate Conditions:** Stage II water allocation measures may be implemented when one of the following conditions exist:
 - 1) Water consumption has reached 90 percent of the amount available for three (3) consecutive days.
 - 2) The water level in any of the water storage tanks cannot be replenished for three (3) consecutive days. Example: The highest recorded water level drops _____ (____) feet or more for _____ (____) consecutive days.

- c. **Severe Conditions:** Stage III water allocation measures may be implemented when one of the following five conditions exist:
 - 1) Failure of a major component of the system or an event which reduces the minimum residual pressure in the system below 20 psi for a period of 24 hours or longer.
 - 2) Water consumption of 95 percent or more of the maximum available for three (3) consecutive days.
 - 3) Water consumption of 100 percent of the maximum available and the water storage levels in the system drop during one 24-hour period.
 - 4) Natural or man-made contamination of the water supply source(s).
 - 5) The declaration of a state of disaster due to drought conditions in a county or counties served by the Corporation.
 - 6) Reduction of wholesale water supply due to drought conditions.
 - 7) Other unforeseen events which could cause imminent health or safety risks to the public.

5. STAGE LEVELS OF WASTER ALLOCATIONS

The stage levels of water allocations are to be placed in effect by the triggers in Section D. The System shall institute monitoring and enforce penalties for violations of the Drought Plan for each of the Stages listed below. The water allocation measures are summarized below.

a. Stage I – Mild Conditions

- 1) Alternate day, time of day, or duration restrictions for outside water usage allowed. (System will notify Customers which restriction is in effect.)
- 2) The System will reduce flushing operations.
- 3) Reduction of customers' waster use will be encouraged through notices on bills or other method.

b. Stage II – Moderate Conditions

- 1) All outside water use is prohibited (except for livestock variances).
- 2) Make public service announcement as conditions change via local media (TV, radio, newspapers, etc).

c. Stage III – Severe Conditions

- 1) All outside watering prohibited.
- 2) Water use will be restricted to a percentage of each member's prior month usage. This percentage may be adjusted as needed according to demand on the system. Notice of this amount will be sent to each customer.
- 3) Corporation shall continue enforcement and educational efforts.

NOTE:

- Refer to your water purchase contract for additional restrictions/requirements that may be imposed by stipulations from the wholesale supplier.
- There may be additional restrictions imposed by Governmental Entities.
- Meters will be read as often as necessary to ensure compliance with this program for the benefit of all the customers.

6. INITIATION AND TERMINATION PROCEDURES

Once a trigger condition occurs, the Corporation, or its designated responsible representative, shall, based on recommendation from the Chairperson of the Drought/Emergency Management Committee, decide if the appropriate stage of rationing shall be initiated. The initiation may be delayed if there is a reasonable possibility the water system performance will not be compromised by the condition. If water allocation is to be instituted, written notice to the customers shall be given.

Written notice of the proposed water allocation measure shall be mailed or delivered to each affected customer upon the initiation of each stage. In addition, upon adoption of Stage II or Stage III, a notice will be placed in a local newspaper or announced on a local radio or television station. The customer notice shall contain the following information:

- a. The date water allocation shall begin.
- b. The expected duration.
- c. The stage (level) of water allocations to be employed,
- d. Penalty for violations of the water allocation program, and
- e. Affected area or areas.

A sample Customer Notice of water Allocation conditions is included in Miscellaneous Transaction Forms of this tariff.

If the water allocation program extends 30 days then the Chairperson of the Drought/Emergency Management Committee or manager shall present the reasons for the allocations at the next scheduled Board meeting and shall request the concurrence of the Board to extend the allocation period.

When the trigger condition no longer exists then the responsible official may terminate the water allocations provided that such an action is based on sound judgment. Written notice of the end of allocations shall be given to customers. A water allocation period may not exceed 60 days without extension by action of the Board.

7. PENALTIES FOR VIOLATIONS

- a. **First Violation** - The customer/member will be notified by a written notice of their specific violation.
- b. **Second Violation** – The Corporation may install a flow restricting device in the customer's service line to limit the amount of water that will pass through the meter in a 24 hour period. The cost of this shall be the actual cost to do the work and shall be paid by the customer.
- c. **Subsequent Violations** – The Corporation may terminate service for up to 7 days and charge for the service call to restore service.

These provisions apply to all customers of the Corporation.

8. EXEMPTIONS OR WAIVERS

The Drought/Emergency Management Committee may, in writing grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health or sanitation for the public or the person requesting such variance and if one or more of the following conditions are met:

- a. Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- b. Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the Drought/Emergency Management Committee within 5 days after the Plan or a particular drought response stage has been invoked or after a condition justifying the variance first occurs. All petitions for variances shall be reviewed by the Committee and shall include the following:

- Name and address of the petitioner(s).
- Purpose of water use.
- Specific provision(s) of the Plan from which the petitioner is requesting relief.
- Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Plan.
- Description of the relief requested.
- Period of time for which the variance is sought.
- Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- Other pertinent information, as requested by the Committee.

Variances granted by the Committee shall be subject to the following conditions unless specifically waived or modified by the Committee or Board of Directors:

- Variances granted shall include a timetable for compliance.
- Variances granted shall expire when the water allocation is no longer in effect, unless the petitioner has failed to meet specified requirements. No variance allowed for a condition requiring water allocation will continue beyond the termination of water allocation under Section F. Any variance for a subsequent water allocation must be petitioned again. The fact that a variance has been granted in response to a petition will have no relevance to the committee's decision on any subsequent petition.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

9. IMPLEMENTATION

The Board establishes a Drought/Emergency Management Committee by Resolution, the chairperson of which will be the responsible representative to make Drought and Emergency Water Management actions. This Committee will review the procedures in this plan annually or more frequently. Modifications may be required to accommodate system growth, changes in water use demand, available water supply and/or other circumstances.

This Plan was adopted by the Board at a properly noticed meeting held on 8-5-09 subject to application approval from TCEQ.

